

THE BRIAND PROJECT FOR EUROPEAN UNION

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with the aid of the Research Staff of the Foreign Policy Association

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INTRODUCTION

THE project of European union which has been described, grandiloquently but inaccurately, as "The United States of Europe," is not a new one. It has been discussed more or less seriously since the war by European statesmen, bankers and industrialists, as well as by academic economists and political scientists and philosophers. Since 1923 the movement organized by Count Coudenhove-Kalergi has been advocating a definite program which closely resembles that suggested by the French Foreign Minister in his memorandum to the European members of the League of Nations.¹

But the project has assumed a new importance since it was taken up by M. Briand a year ago and injected into the realm of practical European politics. The meeting of the 27 European members of the League of Nations which has been called to consider the French Foreign Minister's report during the course of the Eleventh Assembly at Geneva will bring together representatives of responsible governments whose attitudes are determined less by theoretical concepts than by vital national interests.

Any discussion of European union in which governments participate is bound to bring these vital interests into juxtaposition. It is the political implications of such issues as the revision of the treaties of peace which give the meeting of the first European conference so great an importance in the eyes of the governments concerned. But it is the same conflicting interests which are at once

the reason for European union and the obstacle to its achievement. Whatever the immediate results of the proposal, therefore, the discussion itself raises fundamental problems of concern to Europe internally and in relation to the rest of the world. This report can do little more than indicate some of the major factors which have contributed to make the project of European union a matter of political importance, and to summarize the memorandum of the French Foreign Minister and the replies of the European governments.

The initiative in bringing the project of European union into the realm of practical politics was taken by M. Briand during the Tenth Assembly of the League of Nations at Geneva. On September 5, 1929, in the course of a speech on the work of the League, M. Briand announced his intention to submit the question to the representatives of the other European nations,² and on September 9, at a luncheon to which he invited the European delegates, he was authorized to elaborate his ideas and submit a memorandum to the various governments for their consideration during the coming year.

The details of the plan which M. Briand had in mind were not discussed during the 1929 Assembly. The program of the Pan-European movement was of course well known, as was M. Briand's general sympathy with the ideas of its leader, Count Coudenhove-Kalergi. But the practical proposals of the French Foreign Minister and the attitude of the *Quai d'Orsay* were not revealed until the publication of the memorandum authorized by the European States.

1. Count Richard N. Coudenhove-Kalergi, President of *L'Union Paneuropéenne*, was formerly on the faculty of the University of Vienna. The Union has established branches in virtually every country in Europe and has enlisted the support of many prominent statesmen in its educational campaign. Cf. R. N. Coudenhove-Kalergi, *Pan-Europe*, New York, Knopf, 1926, and the periodical *Pan-europe*, official organ of the Pan European Union, published in Paris and Vienna.

2. League of Nations, *Records of the Tenth Ordinary Session of the Assembly*, p. 49-53.

THE BRIAND MEMORANDUM

The memorandum was issued by the French government on May 17, 1930, and was sent to the other 26 European governments members of the League. It concluded with a request that the governments give the subject their prompt consideration, and reply with their comments and observations by July 15. It is interesting to note that the date chosen for the publication of the memorandum was that on which the Reparation Commission ceased to exist and the new Bank for International Settlements took over the task of administering the reparation obligations of Germany to the former Allies. A few weeks later the last of the French troops were evacuated from the Rhineland.

The Briand memorandum is a document of about 5,000 words consisting of a preamble and a questionnaire.³ The French Foreign Minister frankly sets forth his own views and those of his government on the form which a program of European cooperation should be given, on the essential reservations which should govern any such program, and on the immediate practical steps which should be taken. The document is too long to reprint in full; the essential points, however, are brought out in the following résumé.

THE THREE RESERVATIONS

The preamble stresses three reservations which the French government considers essential in any formula of European federation:

1. It must not conflict with or weaken the authority of the League of Nations.
2. It must not oppose any nation or ethnic group outside the League or in other continents.
3. It must not affect in any manner the sovereign rights of the States which are members of such an association.

On the first point M. Briand argues that European union could not possibly hamper the League of Nations, but on the contrary could only strengthen it. If the present lack of cohesion in the material and moral forces of Europe is not offset by a "bond of solidarity," he contends, the very action of the

League in Europe may be exposed to serious obstacles.

"It is not at all a question of constituting a European group outside of the League of Nations," the memorandum asserts, "but, on the contrary, of harmonizing European interests under the control (*contrôle*) and in the spirit of the League of Nations by incorporating in its universal system a limited system all the more effective."

Therefore, in order to insure subordination to the League, M. Briand believes that the States taking the initiative for the first European meeting should include only those which are members of the League, and that this first meeting should be held at Geneva on the occasion of the meeting of the Assembly.

Likewise, M. Briand insists that the European organization "could not oppose any ethnic group on other continents, or in Europe itself outside the League of Nations." The policy of European union implies, in fact, "a conception absolutely contrary to the formation of customs unions tending to abolish internal customs houses in order to erect on the boundaries of the community a more rigorous barrier. . ."

And finally, the French Foreign Minister declares emphatically that the understanding between European States must be on the basis of absolute sovereignty for each and entire political independence.

The preamble concludes with this statement:

"It is under the reservation of these observations and in the light of the general preoccupation [with the need for steps toward closer cooperation] recalled at the beginning of this memorandum that the Government of the Republic, in accordance with the procedure decided upon at the first European meeting of September 9, 1929, has the honor to submit to the consideration of the Governments concerned a summary of the different points on which they are invited to formulate their opinions."

PRINCIPLES OF UNION

The memorandum submits four major points, each of which is amplified by the "observations" of the French government. M. Briand asks first whether the initial step should not take the form of a pact drafted in the most general terms, affirming the

3. Carnegie Endowment for International Peace, "Memorandum on the Organization of a Régime of European Federal Union," *International Conciliation*, New York, June 1930.

"principle of the moral union of Europe" and consecrating European solidarity. Secondly, he asks whether it is not necessary to set up some machinery for carrying out the purposes of the association, and suggests the creation of a "European Conference," a permanent political committee and a small secretariat. The third point, which he suggests might be reserved for the next European meeting, deals with the general principles that should guide the political committee in its work. M. Briand proposes that the economic problem should be subordinated to the political, inasmuch as economic progress is strictly determined by the question of security. Finally, the fourth point suggests that the definite projects which might be undertaken should be reserved either for the next European Conference or for the political committee, if it is created.

The observations of the French Foreign Minister may be summarized briefly, under four main heads, as follows:

I. THE GENERAL PACT TO SYMBOLIZE EUROPEAN SOLIDARITY:

Should be drawn up in sufficiently brief form to limit itself to defining the essential rôle of the association;
Should take into account the essential reservations indicated in the memorandum;
Should define the character of the association as "a regional understanding" within the terms of Article XXI of the League of Nations Covenant;
Should be limited at first to European States which are members of the League.

II. PROPOSED ORGANS OF EUROPEAN UNION:

A. The European Conference

Should serve as the essential directing organ of the European Union, in liaison with the League of Nations;
Should be composed of representatives of all European Governments which are members of the League;
To avoid predominance of any one State, presidents of the European Conference should be elected annually and serve in rotation;
The organization and powers of the conference should be determined at the next meeting of European States.

B. The Permanent Political Committee

Should serve as the executive organ of the European Union;
Should be limited to a certain number of members of the European Conference;
Should meet at Geneva, where its regular sessions might coincide with those of the League Council;
Composition and powers of the committee should

be determined at the next meeting of European States;

Presidents of the committee should function in rotation.

The committee should have the power to invite representatives of any European State (whether or not a member of the committee or of the League) to participate in discussion of questions in which it is interested.

The first tasks of the committee might be to study the form of the future European Union and to draft a program of European cooperation.

The composition and powers of the committee should be determined at the next meeting of European States.

C. The Secretariat Service

Should probably be restricted at the beginning, and might be entrusted to the government which is charged, in rotation, with the presidency of the political committee.

When the necessity of a permanent secretariat is recognized, it should be located at Geneva.

The possibility of utilizing the secretariat service of the League should always be taken into account.

III. GENERAL PRINCIPLES WHICH SHOULD GUIDE THE POLITICAL COMMITTEE IN FORMULATING ITS PROGRAM (this point might be reserved for the next European meeting):

A. The economic problem should be subordinated to the political.

The development of a political situation warranting confidence between peoples should logically precede economic sacrifices. The contrary order would not only be useless, but would expose the weaker nations to the risks of domination by the more strongly organized industrial States.

B. European political cooperation should be based "not upon the idea of unity, but of union."

That is to say, the system should be sufficiently flexible to respect the sovereignty of each State while assuring all the benefit of collective solidarity for the settlement of political questions involving the fate of the European community or one of its members.

Such a conception might imply the development of a system of arbitration and security for Europe and the progressive extension of the policy of international guarantees inaugurated at Locarno.

C. The economic organization of Europe should be effected under the political responsibility of the governments working in unison.

The first step might be "a simple pact of economic solidarity" expressing "the ideal end to the tariff policy of the governments (establishment of a common market to raise to the maximum the level of human well-being over all the territories of the European community)."⁴

4. *Ibid.*, p. 345.

With the help of such a general orientation, immediate efforts could be undertaken for the rational organization of European production and exchanges, by means of the progressive liberation and methodical simplification of the circulation of goods, capital and persons, with the single reservation of the national defense of each State. The principle of this tariff policy having been sanctioned, the study of ways and means of realization might be referred to the technical examination of a committee of experts.

IV. QUESTIONS WHICH MIGHT BE CONSIDERED BY THE NEXT EUROPEAN CONFERENCE OR THE POLITICAL COMMITTEE:

A. Possible Projects:

1. *General Economy.* Effective realization, in Europe, of the program drawn up at the World Economic Conference of the League; the policy of industrial unions and cartels; the progressive lowering of tariffs, etc.
2. *Economic Equipment.* Coordination of great public works executed by European States (roads, highways, canals, etc.);
3. *Communications and Transit.* Regulation of inter-European traffic, by land, water and air. Coordination of railways, posts, telegraphs, etc.
4. *Finances.* Encouragement of credit for development of economically less advanced regions of Europe; European market, monetary questions, etc.
5. *Labor.* Settlement of labor questions peculiar to Europe, such as labor in inland navigation, inter-European emigration, etc.;
6. *Hygiene.* General extension of projects undertaken by the Health Organization of the League of Nations.
7. *Intellectual Cooperation.* Cooperation by universities and academies; literary and artistic relations; scientific research, etc.
8. *Interparliamentary relations.* Utilization of the Interparliamentary Union for the de-

velopment of contacts and exchange of views.

9. *Administration.* Formation of European sections in certain universal international bureaus.

B. Possible Methods of European Cooperation: Questions considered by the European Union might be dealt with in several ways:

It might be advisable to set up organizations for coordination and study where none exist, or to support the efforts of the League of Nations in questions which are already the subject of study, or, finally, to stimulate conferences, European or general, of the League of Nations on questions with which it is competent to deal but with which it has not yet dealt.

Non-European States would be invited to be represented by observers at any European conference, and would be permitted to adhere to any conventions which were not strictly Continental.

C. Methods of cooperation between the European Union and countries located outside the Union.

In conclusion, the French Foreign Minister pointed out that for purely practical reasons he had suggested as elementary a conception as possible—not to limit the possibilities of European union, but to increase the chances of gaining unanimous consent to the first steps.

"As a matter of fact," the memorandum states, "it is not a question of setting up completely an ideal structure answering in the abstract all the logical needs of a vast plan of a European federal mechanism but, on the contrary, by avoiding what would be premature, of confining one's self practically to the actual realization of a first means of contact and of constant solidarity between European Governments, for the settlement in common of all problems bearing on the organization of European peace and the rational organization of the vital forces of Europe."

REPLIES OF EUROPEAN GOVERNMENTS

What are the attitudes of the other European governments as expressed in their replies to the Briand memorandum? To what extent have they agreed with the aims and the suggestions of the French Foreign Minister, and on what points have they disagreed or offered alternative suggestions? What are the results which may be expected from the first European conference?

The replies of the twenty-six governments do not afford an entirely satisfactory answer

to these questions.⁵ In a majority of cases they are provisional or tentative statements expressing the positions of the several governments on some but not all of the points raised in the memorandum, and are subject to future revision or further elaboration. Moreover, the notes do not lend themselves readily to any orderly classification. There

5. The official texts of all of the replies are not available at time of writing (August 26). The texts or summaries used in this report are those reprinted in American or European newspapers and periodicals, including the *New York Times*, *London Times*, *Manchester Guardian*, *Le Temps* (Paris), and *L'Europe Nouvelle* (Paris).

are points in common among the great powers and the small powers. There are also marked differences in the attitudes expressed by the large States, and similar differences among the small States. There are differences even among the former Allies and among the defeated powers. In general, however, the replies show that the governments are in almost unanimous agreement with the aims expressed in the memorandum and in complete disagreement on the methods proposed for realizing those aims.

The twenty-six governments are in complete accord on three main points:

1. They agree that closer European cooperation is not only desirable but necessary.
2. They agree that a European conference to discuss the questions raised in the memorandum is desirable and they agree to participate in such a conference.
3. They agree that any program of European cooperation must be based on the three reservations set forth in the memorandum—namely, that it must not conflict with the League of Nations, that it must not be directed against any other nation or group of nations, and that it must not affect the sovereign rights of any State.

Even those countries which have expressed opposition to the proposed methods have approved the aim as explained by the French Foreign Minister. Thus the reply of Great Britain states that "His Majesty's Government. . . understand that the fundamental purpose which the French Government have in view is to divert the attention of the people of Europe from the hostilities of the past and from the conflicts of interest between them which are sometimes alleged to exist and to fix their attention instead upon the more important common interests which today they share. . . With this purpose His Majesty's Government in the United Kingdom are in fullest sympathy."⁶ A similar willingness to participate in the development of closer European cooperation is contained in the replies of Germany, Italy and Denmark, the three other countries which are most critical of the methods proposed by France.

While no government takes exception to the reservations, a number of the replies suggest other equally essential reservations (such as the complete equality of States) and

some imply that the methods proposed in the memorandum are inconsistent with the conditions laid down.

DIVERGENCES OF OPINION

On the method to be followed in realizing the ideal of European cooperation the replies show a sharp difference of opinion. Only three States—Poland, Czechoslovakia and Yugoslavia—approve the proposed methods without serious reservations. These three States are bound to France by treaties of alliance and to a certain degree regard France as the champion of their respective national interests.⁷ The remaining twenty-three States either submit alternative methods or object to one or more of the basic proposals of the memorandum. The three great European powers are all critical of the procedure suggested, Great Britain raising fundamental difficulties and Germany and Italy questioning important parts of the plan. Of the smaller States Austria, Denmark, the Irish Free State, and Hungary raise the most serious objections. Few of the replies, however, should be characterized as altogether unfavorable, as every government has declared its readiness to consider the project and discuss its possibilities at the forthcoming conference.

The principal objections or alternative proposals brought out by the European governments may be grouped under several heads. The most important is the objection to a form of union separate from the League of Nations.

Eleven States emphasize the danger, or the difficulties, of establishing a separate European union which might conflict with the League or impair its usefulness: Great Britain, Germany, Italy, Hungary, Austria, Denmark, Norway, Sweden, Spain, Switzerland and the Irish Free State regard a separate union either with disfavor or with serious doubts. All of the other States approve M. Briand's reservations with respect to the League but do not regard a separate union as necessarily inconsistent with League cooperation.

6. *New York Herald Tribune*, July 18, 1930.

7. The other two European allies of France—Rumania and Belgium—while approving the project as a whole, differ on several questions of method.

Six States urge the great importance of avoiding intercontinental rivalries and question whether a European union would not be likely to lead to such rivalries: Great Britain, Germany, Italy, Spain, the Netherlands and the Irish Free State stressed this point, and several other States referred to it in passing.

Three of the governments insist upon the "complete equality" of all States and imply that the ultimate revision of the treaties of peace must be permitted if they are to participate. These States are Germany, Italy and Hungary.

Eleven States take exception to the proposal that political cooperation should precede economic cooperation. They are Austria, Albania, Belgium, Denmark, the Netherlands, Hungary, Luxemburg, Norway, Portugal, Rumania and Sweden. Germany dissents from the view that economic cooperation must be dependent upon greater security, and several other countries believe that political and economic cooperation must proceed together.

Nine States specifically ask for the inclusion of Russia and Turkey in any project of European union. These States are Germany, Italy, Denmark, Finland, the Netherlands, Latvia, Lithuania, Luxemburg and Norway. Greece and Bulgaria ask for the inclusion of Turkey, but do not mention Russia.

M. Poincaré points out that the inclusion of Russia and Turkey in a European union would mean the inclusion of vast areas of Asiatic territory as well, so that the union, from the start, would contain non-European elements.^{7a} A problem is likewise created by the colonial empires of the European powers already engaged in discussing the project for a European union.^{7b}

A great many other minor differences and suggestions were made in the replies, but these refer for the most part to the proposed machinery and do not affect the larger issues. Several States referred to the problem of minorities and to the proposals for a political committee and a secretariat. A large number believed that a permanent secretariat was unnecessary, while others favored the use of the League secretariat.

The replies of Great Britain, Germany and Italy, both because of the importance of these powers and because of the frankness with which they expressed their views, are of special interest. In each case the attitude of these great powers was determined by their respective positions and their political and economic relationships in Europe today.

THE BRITISH REPLY

Great Britain, as the center of a world Empire, and particularly because of its relation to six extra-European Dominions, could hardly participate in a European union on the same basis as Continental nations. The close proximity of the British Isles to the Continent and the political and economic ties which bind England to Europe, on the other hand, would make it difficult if not impossible for a British government to ignore the consequences of a European union. Should Great Britain join the union it would gain the benefits of free trade which the union would presumably establish. But the union could not extend such privileges to the British Dominions, except upon a basis of reciprocity which would strike at Dominion protectionism. On the other hand, if Great Britain did not become part of a European union, it might be confronted by a high European tariff wall which would seriously injure British foreign trade. Thus in the first case its imperial relationships might be imperilled, since Great Britain is as much a world power as a European power; in the second case, however, it would suffer equally.⁸ These considerations undoubtedly influenced the British reply to the French note.

The agreement of Great Britain with the general aim of the Briand memorandum has already been mentioned. On questions of method, however, the British government differed fundamentally with the French government. The British note pointed out that whereas M. Briand had urged the necessity of close cooperation with the League, he had

8. A writer in *The Round Table* suggests a way out of this dilemma by adoption of the principle that countries outside the union recognized as having a general level of tariffs lower than that of the lowest group within the European association should be given the advantage of unconditional most-favored-nation treatment by members of the association. "The United States of Europe," *The Round Table*, December 1929, p. 97.

7a. "Les Sentiers de la Paix," *L'Illustration*, August 2, 1930.

7b. This question was discussed by A. C. Coolidge in "The Grouping of Nations," *Foreign Affairs*, January 1927.

actually proposed an organization modelled on the League but entirely independent of it. In the opinion of the British government the effect of such an organization would be to increase confusion and rivalry not only in Europe but throughout the world.

Referring to the danger of conflict with the League of Nations, the British reply states:

"9. Since organs of the League have already begun to work on virtually the whole of the program of practical action which the memorandum puts forward, it is difficult to see how these new European institutions could cooperate without creating confusion and perhaps also rivalry which, however little it might be intended or desired by the European governments, could hardly fail to diminish both the efficiency and the authority of the organs of the League.

"10. Apart from this very difficult problem of co-ordination, His Majesty's Government in the United Kingdom think it possible that an exclusive and independent European Union of the kind proposed might emphasize or create tendencies to intercontinental rivalries and hostilities which it is important in the general interest to diminish and avoid. It is in their view essential that the measures taken for closer European co-operation should not cause anxiety or resentment on any other continent. Unless this object is kept continually in view, His Majesty's Government in the United Kingdom are satisfied that even the wider interests both of Europe and the world may be seriously endangered.

"11. It will be plain to the French Government that in this connection there are special considerations of which His Majesty's Government in the United Kingdom as a member of the British Commonwealth of Nations must take account."

The note proceeds to suggest that the program of European cooperation be carried out through the machinery of the League of Nations, rather than by a separate organization. It suggests, further, that the memorandum be placed on the agenda of the next Assembly of the League, so that the proposal might be discussed not only by the European countries but by all the members of the League.

This reply, the most critical received by the French government, was generally approved by all sections of the British press, which regarded it as a clear statement of the British position. A similar reply was submitted by the Irish Free State, which also objected to the creation of a European or-

ganization independent of the League of Nations.

THE POSITION OF GERMANY

The foreign policy which was laid down by the late Dr. Stresemann, and which has been followed by the present German government, is one of conciliation and fulfilment of all international obligations. The moderate parties, including the Socialists, have invariably united to support the Stresemann foreign policy, despite sharp differences of opinion on domestic issues. Thus, Germany signed the Locarno treaties, entered the League of Nations and approved the reparation settlement provided for in the Young plan. Within the League, however, Germany has not hesitated to draw attention to what it regards as the defects of the existing European situation. It has not demanded immediate revision of the treaties of peace, but it has referred to their "unfair" provisions, and has worked to bring about the general disarmament envisaged in the treaties of peace.

The German reply is accordingly conciliatory in tone and cautious in its reservations, but it leaves no doubt about the conditions which the government regards as essential to the foundation of full European cooperation. Germany welcomes the opportunity to discuss European problems and will gladly participate in the first European conference; it sympathizes with the aim of the French government and agrees to the necessity of approaching European problems from the political side. But it states clearly that if the problems are to be solved, European co-operation must be based on principles of complete equality and justice.

The German reply comes nearest to a reference to revision of the treaties in the statement that

"No other State experiences in equal measure . . . the defects in the existing structure of Europe, for situated in the heart of the Continent, she [Germany] is exposed to the working out of these defects to a greater extent than any other country, and no other country is, therefore, more vitally interested than Germany in the removal of these deficiencies. . .

"The German Government believes that the ultimate goal of such a discussion must be under-

taken in a spirit of courageous reform and understanding of conditions which are now recognized as untenable, thus bringing about a pacification of Europe which can only be established on principles of equality and justice."

The reply again refers to unsound foundations of the existing European order in these words:

"To one point, however, the German Government today desires to give added emphasis: All attempts at any improvement of the political situation of Europe will be dependent upon the application of the principles of complete equality and equal security for all and the peaceful adjustment of the vital needs of all nations. Wherever existing conditions oppose such principles, effective means for their correction must be found. It would be futile to attempt to erect a new Europe on a foundation which would not support the vital requirements of national development."

While approving the precedence of political over economic cooperation, the German government dissents from the French view that economic progress must be dependent upon the creation of greater security. On the contrary, the German government holds that economic understanding will materially increase the consciousness of solidarity, and thereby the feeling of security.

With respect to the organization proposed in the French memorandum, the German government

"agrees to the proposition that the League of Nations must not suffer. No form of European isolation should be introduced which might lead to other groupings in the League of Nations.

"The participation of the League members in the great tasks of all continents is one of the most important duties of the League. An inclination toward grouping by continents might weaken this broad general interest and influence the structure of the League disadvantageously. In all types of closer European cooperation the effect on the League must be considered, and if necessary submitted to the judgment of the whole League."

The German government suggests that the European States non-members of the League and the non-European members be invited to the meeting at Geneva in September when the full implications of the memorandum should be discussed. All of the material brought up at the first meeting should be examined and used as the basis for further discussion.

The implications of the German reply with respect to treaty revision aroused the opposition of the Nationalist section of the French press, which criticized the statements of the German government and deprecated the opportunity which M. Briand had given to the former enemies of France to raise this issue. Subsequent election speeches of Dr. Treviranus, the German Minister of Occupied Territories (now evacuated), in which he was reported to have urged revision of the Polish frontier, caused additional resentment in France. Although the speeches were officially disclaimed, a considerable section of the French press continued to criticize M. Briand and to discuss the inadvisability of a project which might threaten the perpetuation of the *status quo*.

The former French Premier, Raymond Poincaré, in an article published on August 1 in *L'Illustration*, regarded the replies of other countries to the French memorandum as extremely unsatisfactory.⁹ On the other hand, the French Foreign Office continued to express its satisfaction with the reception accorded the memorandum.

THE ATTITUDE OF ITALY

Italian foreign policy, both before and since the advent of the Fascist government, has been dictated by the necessities of Italy's geographical and economic situation. Prevented from expansion in the north by the barrier of the Alps, dependent upon foreign countries for essential raw materials, and supporting a very large population, Italy has sought through its foreign and colonial policy to consolidate its position in the Mediterranean and to provide for its expanding needs through its colonial possessions in Africa.¹⁰ Italy, since it expected to increase its African colonies as a result of the war, was bitterly disappointed at the terms meted out in the Treaty of Versailles. Resentment against France in particular increased with the failure to settle the question of Tunis and the southern boundary of Libya.¹¹ In Europe, Italy has sought to develop friendly relations with those countries not included

9. "Les Sentiers de la Paix," *L'Illustration*, August 2, 1930.

10. Cf. "Italian Foreign and Colonial Policy," *F. P. A. Information Service*, March 16, 1927, Vol. III, No. 1.

11. Cf. V. M. Dean, "Franco-Italian Relations," *F. P. A. Information Service*, March 19, 1930, Volume VI, No. 1.

in the French system of alliances,¹² in particular with Hungary, whose revisionist ambitions are opposed by France and the Little Entente. Italy has also assumed a virtual protectorate over Albania, which occupies a strategic position on the opposite side of the Adriatic. This political rivalry between France and Italy in Central Europe and the Balkans, combined with the unsolved African problems and a growing naval rivalry, was accentuated by the failure of the two Mediterranean powers to reach a naval agreement at the London Conference in 1930.

The Italian reply to the French memorandum, therefore, was awaited with some anxiety. Like the German reply, the Italian note was a diplomatic rejoinder which raised fundamental issues in a conciliatory manner. The reply expressed Italy's willingness to participate in the conference of European powers, but set forth a number of conditions which should be observed in any program of European cooperation.

First, the principle of the sovereignty of States must be applied in the fullest manner, in such a way as to guarantee the rights of small nations, remove the last remaining demarcation between the victorious and vanquished nations, and favor conditions of absolute equality between all States.

Second, any program of European cooperation must be coordinated with or subordinated to the League of Nations.

Third, a European union should not exclude any European States, and should include Russia and Turkey.

Fourth, the danger of creating continental groups in opposition to a European group should be guarded against and avoided at all costs.

Fifth, in the organization of a European union all States should have an equal voice in the executive or deliberative organ, which should not be limited to special States.

Sixth, European union must be preceded not by security alone, but by the general reduction of armaments.

On the final point the note replies to the French thesis as follows:

"The French Government appears to wish to subordinate any action tending to attain European coordination to a precise union in the political field, which subordination, according to the French Government, is rigorously determined by the exigencies of the problem of security. . .

"The Fascist Government cannot see its way to giving the same interpretation to the premises and objectives of a federal European union as they are set forth in the memorandum of the French Government. It is evident that the problem of economic solidarity has essential political premises, but it is also true that if the federal European union must fit in with the League of Nations these political premises can be none other than those which form the foundation of the covenant of the League of Nations and which are not only premises of security.

"The covenant is an organic whole, in which all, or at least the most important, elements and methods which must serve for the maintenance of peace are considered. The covenant lays down that these methods are the reduction of armaments and the peaceful solution of international controversies and coordinates these methods in an organism of peace which is an organic system based on disarmament, arbitration and security. . .

"The Fascist Government believes this development in the phase of international organization which Europe has reached must not consist in undue insistence on a system of security, but in carrying out those precise obligations to disarm which were contracted in the covenant of the League of Nations by the States which signed it, obligations which if not carried out threaten that very system of security which has been so painfully built up. . . .

"If the true end of the efforts being made toward a federal European union really consists in closer cooperation between European nations, it is necessary first of all to solve the problem of the general reduction of armaments."

The Italian note, therefore, supports two of the basic tenets of the policies of Germany and the other defeated powers. It implies the necessity of a future revision of the treaties and urges the necessity of early and complete disarmament. The emphasis on both of these points was commented on sharply in the Paris press. In view of the Italian demands at the London Naval Conference,¹³ which France regarded as provocative, French Nationalist opinion ridiculed the disarmament proposal as obviously insincere. Greater concern was expressed in the French press over the publication of an interview with Mussolini, in which the Italian Premier was quoted as saying that

"The nations which emerged victorious from the war are not satisfied with what victory has given them, and before tranquility is restored the

12. The French system of alliances includes Belgium, Poland, Czechoslovakia, Yugoslavia and Rumania.

13. At the London Conference Italy offered to reduce its naval armaments to any level, however low, provided it was not exceeded by that of any other Continental power. Cf. W. T. Stone, "The London Naval Conference," *F. P. A. Information Service*, May 28, 1930, Volume VI, No. 6.

retouching of the pacts, which are at the base of European relations, must take place.¹⁴

Such expressions were regarded by a large number of Paris newspapers as another indication of Italy's intention to assist the

powers defeated in the World War in their efforts to break the Treaties of Versailles and Trianon, on which the existing European order rests.

ISSUES RAISED BY THE PROJECT

The replies of the three great European powers are perhaps the most critical of all that were received by the French government, but those of many smaller powers, notably Denmark, a neutral in the World War, and Hungary, an ally of Germany, contain many of the same objections and suggestions. Of the many important issues raised, two questions are of fundamental significance and challenge the basis of the proposal as framed by the French government:

First, whether any separate European union can avoid conflicting with or diminishing the authority of the League of Nations.

Second, whether a European union could be arranged on such a basis as to permit the ultimate reform of conditions which some States are unwilling to see perpetuated—in other words, whether it would permit the peaceful revision of the treaties of peace.

EUROPEAN UNION AND THE LEAGUE

The first question has led to a difference of opinion among many students of international relations. Those who oppose a separate European union base their opposition on three main contentions: that the League of Nations is capable of performing all of the functions proposed for a European union, that the League has already established the necessary machinery for a program of European cooperation, and that the usefulness of the League would be impaired by a division into continental groups of nations.

Those who favor a separate European union assert that the experience of the League has proved the difficulty of solving special European problems through the medium of a world-wide organization. Progress on matters of vital importance to Europe is delayed by the necessity of securing the approval of non-European States. Thus Latin American or Asiatic States may

modify the terms or delay the ratification of treaties in which European countries are primarily interested. A separate union, it is held, would hasten the solution of these European problems and would aid rather than hinder the League. It would further tend to remove the objection of those countries, including the United States, which contend that the League is involved in European politics and would accentuate the League's real function as a universal organization.

A review of the record of the League of Nations during its first ten years does not entirely substantiate, or entirely disprove, either of these contentions. On the one hand the League has dealt successfully with a great many European problems: it has settled important political disputes, has built up an extensive machinery for the pacific settlement of international controversies, has encouraged regional agreements such as the Locarno treaties, aided the reconstruction of countries impoverished by the war and hastened their economic recovery. Furthermore, the League has developed an effective organization and secretariat for dealing with international problems of every description and has utilized bodies of experts in the fields of economics, public health, finance, transportation and so forth.

On the other hand, the League has not greatly increased the political solidarity of its European members nor removed economic rivalries and trade restrictions.

The organization of the economic activities of the League illustrates some of the accomplishments and some of the failures of the system. The Economic and Financial Organization was established as a result of the Brussels Financial Conference of 1920. It comprises two sections—the Economic Committee and the Financial Committee—each of which is composed of experts appointed by the Council. These experts are not representatives of governments, and their sole

14. *Le Petit Parisien* (Paris), July 3, 1930, quoted in *New York Herald Tribune*, July 4, 1930.

duty is to advise the Council and Assembly on economic and financial questions.¹⁵

The most important work of the Financial Committee has been directed toward the financial reconstruction of Europe. Through the Financial Committee the League has floated nine reconstruction loans totaling more than \$400,000,000.¹⁶ Of these loans, those for the rehabilitation of Austria and Hungary were the most spectacular. Two loans were floated for Greece, Bulgaria and Danzig, and one for Estonia. In addition to the work of financial reconstruction, the Finance Committee has supervised the exchange of populations between Greece and Bulgaria and Greece and Turkey and has undertaken the study and solution of such problems as double taxation, counterfeiting of currency, and central bank statistics.

EXISTING DIFFICULTIES IN EUROPEAN COOPERATION

The work of the Economic Committee has emphasized the difficulties of achieving economic cooperation by international agreement. The Committee, with the aid of special bodies of experts and a consultative committee composed of sixty members, has considered such questions as unfair competition, treatment of foreign nationals, customs formalities, import and export prohibitions and restrictions, commercial arbitration and legislation on bills of exchange. The Committee carried out the necessary preparations for the World Economic Conference of 1927, which was attended by 190 delegates representing fifty countries. The object of the conference was to bring about a general exchange of views on existing economic difficulties and the means of overcoming them, and the final report embodied a series of recommendations which were approved by the League Assembly.¹⁷

The experience of the Economic Committee has shown that not all League Conventions of primary concern to Europe have been delayed by the failure of non-European

States to adhere or ratify. The two important conventions on import and export prohibitions and restrictions, for example, were signed in 1927 and 1928 by twenty-nine States, a majority of which were European. To come into force, the conventions required the ratification of eighteen States before September 30, 1929. By that date only seventeen States had ratified. Another conference was called and a number of European States declined to bind themselves so long as Poland and Czechoslovakia did not accept the same obligations. Czechoslovakia agreed to ratify if Poland would do likewise, but the Polish representative was unable to give any satisfactory assurance. As a result, eleven States were permitted to free themselves from the obligations of the conventions, while six agreed to be bound by them until June 30, 1931. All of the eleven States which asked to be released were European, while the six which agreed to accept the obligations included Japan and the United States.¹⁸

Similar difficulties were encountered in the ratifications of each of the other economic conventions concluded at Geneva. Thus, in reviewing the economic work of the League, the Secretary-General in his annual report for 1930 stated that despite the approval which a great many European States had given to the recommendations of the World Economic Conference, this approval had not resulted in concrete action and "the Assembly in 1929 was accordingly obliged to admit that in spite of a few sporadic efforts, there had been no real change in the commercial policy of the States."¹⁹

As a result of this failure to carry out the suggestions of the World Economic Conference, the 1929 Assembly recommended a "Preliminary Conference for Concerted Economic Action," the purpose of which was to secure an agreement, primarily among the European powers, by which they would agree not to increase their protective tariffs for a period of two or three years. The conference met in Geneva between February 17

15. They are not necessarily nationals of States members of the League. Cf. R. L. Buell, "The United States and the League of Nations," *F. P. A. Information Service*, July 9, 1930, Vol. VI, No. 9.

16. League of Nations, Economic and Financial Section, *Report on the Economic Work of the League*. C.E.I.41.1927.

17. League of Nations, World Economic Conference, *Final Report*, C.E.I.44(1).1927.

18. The six States were Great Britain, Japan, the Netherlands, Portugal, Norway and the United States. The eleven which asked to be released were Austria, Belgium, Denmark, France, Germany, Hungary, Italy, Luxembourg, Rumania, Switzerland, and Yugoslavia. Cf. League of Nations, *Report of the Secretary-General on the Work of the League*, 1930, p. 64.

19. *Ibid*, p. 58.

and March 24, 1930, but was unable to conclude an effective tariff truce convention. The commercial convention which was signed provides for a certain measure of tariff stability during a period in which negotiations will take place for collective economic agreements. The conference also agreed on a program of future negotiations.²⁰

These instances show that the European nations so far have not always been willing to make real sacrifices for the sake of achieving economic and political unity. Whether or not they will be able to accomplish through regional machinery what they have failed to accomplish thus far through the League of Nations is a question open to debate. There are many observers who feel that the establishment of new machinery is less important than the development of less nationalistic and less suspicious views of international relations within each country. When public opinion is more prepared for a policy of genuine internationalism, such a policy, it is argued, can be carried out just as effectively through world organs as through regional bodies.

THE QUESTION OF NATIONAL FRONTIERS

The second fundamental question brought out by the memorandum is one which France has naturally attempted to avoid

since the signing of the Treaty of Versailles. The peace treaties give France a certain predominance in Europe and impose on Germany and the other defeated powers terms unsatisfactory to them. Through the League of Nations and through a policy of alliances, France has attempted to build up guarantees of collective action against a State guilty of overturning the *status quo* by force; but it has not attempted to establish means whereby the *status quo* may be peacefully changed if considerations of justice make such change desirable. M. Briand's emphasis on the problem of security, in his memorandum on European union, has led countries which consider themselves wronged by the peace treaties to ask whether M. Briand's plan is simply a new method of securing and extending French dominance in Europe, or whether it will provide for the peaceful revision of the *status quo*.

Proponents of Pan-Europe reply, however, that with the establishment of common economic interests these political questions will lose their importance. Once economic frontiers are abolished, political frontiers lose their meaning. If the States of Europe could be knitted together as closely as the forty-eight states of the American Union, they add, the wrangles over boundaries, minorities and armaments would disappear.

ECONOMIC ASPECTS OF EUROPEAN UNION

Economic internationalism is a goal toward which only slow progress has yet been made. A number of observers, nevertheless, believe that sooner or later the internal tariff walls of Europe must be lowered. Politicians may think of European federation in terms of security; but business leaders, and sooner or later the masses, must think of this question in terms of economic existence. An interesting analysis of Europe's economic situation has recently been written by one such observer, a French writer by the name of Francis Delaisi, in a book entitled, "*Les Deux Europees*."²¹ Since his thesis is one which explains some of the

economic forces underlying the Pan-European movement a brief summary of his conclusions may not be out of place here.

He divides Europe into two categories; the first he calls "Europe A," which includes the industrialized countries of western Europe, such as France, Germany, and Great Britain; the second he calls "Europe B," including the agricultural countries, such as those of Central Europe and the Balkans. "Europe A" has achieved a high degree of industrial production; 70 per cent of its people are city dwellers. Industrial superiority has been accompanied by advanced educational and political development. Universities and parliamentary government in the industrialized countries stand upon a

²⁰. League of Nations, *Monthly Summary of the League of Nations*, March 1930, Vol. X, No. 3, p. 58.

²¹. Francis Delaisi, *Les Deux Europees*, Paris, Payot, 1929.

higher level than in the agricultural countries. In the latter people live an almost medieval existence. This is because of the absence of economic development. Such development has occurred in "Europe A" because of machinery and because of coal. Machinery has benefited manufactures; it has also benefited agriculture. Thus, because of the use of machinery, the production of wheat per acre in Belgium is three times what it is in industrially retarded Rumania.

EUROPE'S MARKETING PROBLEM

Industrialized Europe must import its food; in return it sells manufactures abroad. But these manufactures are not sold primarily to "Europe B," which despite its nearness absorbs only a quarter of the exports of "Europe A." They have been sold primarily in non-European markets, which Europe has built up by means of foreign investments, emigration and colonial control. For many years this arrangement brought prosperity to Europe; but today it is breaking down. "Europe A" is losing its overseas markets. The United States and the British Dominions, not to mention the countries of the Orient, are developing manufactures of their own. If "Europe A" is to live comfortably in the future, it must find new markets to replace those that are being lost. M. Delaisi believes that the solution of the marketing problem rests in the development of markets in "Europe B" by "Europe A." He points out that at present an inhabitant of "Europe B" purchases only half the value of goods from "Europe A" which are purchased, for example, by the inhabitants of non-European countries such as Canada. If the capacity of the inhabitant of "Europe B" could be raised to the Canadian level the total exports from "Europe A" would be increased one-third. He believes it is possible to increase the purchasing power of "Europe B" by means of loans and technical assistance. The development of electricity as a source of power will increase the productivity of "Europe B" and hence its purchasing power. But the most important measure for bringing about this development is in tariff reform. As long as each nation of Europe maintains a high protective tariff, it

will not be possible to exchange manufactures for agricultural articles freely. The fundamental task, therefore, for any European union is the reduction of tariffs.

THE WARSAW AGRARIAN CONFERENCE

The conflict in interest between the agricultural and manufacturing States of Europe was brought out at the Geneva tariff conference, discussed above. While this conference failed to achieve many concrete results, it was regarded as being of great importance simply because for the first time the European States recognized that tariffs affected a common interest. A further development took place in August 1930 at Warsaw. This was a meeting of the agrarian States of Eastern Europe—Poland, Rumania, Czechoslovakia, Jugoslavia, Hungary, Bulgaria, Lithuania and Estonia (Finland sending an observer)—countries representing a market of about 80,000,000 people. At this conference Poland proposed the abolition of export bounties on agricultural products. It also proposed the centralization and rationalization of exports along the lines adopted in the rye convention between Poland and Germany. This convention establishes a unified organization for rye exports from the two countries, providing for the allocation of the proceeds of sales to German and Polish producers on a pre-arranged percentage.²² The conference decided to create a technical finance commission on agricultural credit. It also passed certain other resolutions, indicating that the agricultural States of Europe wish to obtain from the industrial States a certain preference in regard to the sale of cereals as compared with non-European sources of supply.

It is possible that a consortium of the agrarian States of Europe may precede a wider form of European organization. United, the agricultural States of Europe will be in a better position to bargain with the industrialized States than they would if they were to remain divided. Out of the bargaining between the two groups some form of European tariff union may issue.²³

22. Cf. *Christian Science Monitor*, September 2, 1930.

23. Cf. "Les Etats Agricoles," *Journal de Genève*, August 29, 1930.

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TARIFF POLICY**

Some proponents of European union believe that this bargaining can best take place in conferences from which non-Europeans are excluded. Theoretically they recognize the importance of world union and they disclaim any intention of directing a European union against any other continent. Nevertheless the fact remains that the United States and other non-European countries have enacted tariff walls which have created much resentment among European peoples. It is argued that the dictates of reason alone

never bring about political changes; but that these changes result only from some strong emotional impulse which takes hold of the masses. While such an impulse is lacking on behalf of world organization, it is present in the case of a project for European federation. Resentment against the newly acquired industrial supremacy of the United States, together with a belief that the economic policy of the United States and other non-European States is fundamentally unfair, constitute an emotional factor, according to some proponents of the idea, which may make the idea of European union a reality.